

Lemon Law Buybacks and Nonrepairable Vehicles

10.000 Introduction

This chapter contains Lemon Law buyback and nonrepairable vehicle procedures.

10.005 Lemon Law Buybacks (VC §§4453 and 11713.12; CC §§1793.23–25)

The certificates for vehicles re-acquired by the manufacturer on or after January 1, 1996, because of a specific warranty defect **must be** marked with the brand/notation “Lemon Law Buyback.”

EXCLUSIONS: Off-highway vehicles, vessels, and trailers.

Manufacturer Notification Requirements—Any manufacturer who reacquires a vehicle (including one registered in another state) **must**:

- Obtain a title and registration in the manufacturer’s name marked with the notation “**Lemon Law Buyback.**”
- Furnish a decal stating the vehicle title has been inscribed with the term “Lemon Law Buyback” and affix it to the vehicle on the left door frame **or** the primary front entrance (right door frame) on vehicles with no left door (motorhomes, for example) **or** in a prominent area on the left side of the vehicle for vehicles without doors (motorcycles, for example).
- Notify the transferee/buyer of the vehicle of the warranty defect(s) in writing.

Subsequent Transfer Notification Requirements—Prior to **all** subsequent sales of a buyback vehicle, the transferor (including a dealer) **must** notify the transferee in writing of any nonconformity. **All** the following **must be** disclosed to a transferee:

- The year, make, model, and VIN of the vehicle.
- Whether the title to the vehicle is marked “Lemon Law Buyback.”
- The nature of **each** nonconformity reported by the original vehicle buyer or lessee.
- Repairs, if any, made to the vehicle in an attempt to correct each nonconformity.

The notification **must be** on white (8.5 x 11 inch) letter-size paper in black print no smaller than 10-point. The notification **is not** submitted as part of the registration application.

10.005 Lemon Law Buybacks, continued

Warranty Returns—Vehicles reacquired prior to January 1, 1996, are referred to and branded as a “WARRANTY RETURN” on the California title (some may show “WARRANTY RET”). The registration application for a warranty return vehicle sold by a dealer **must include** the following disclosure statement:

“This motor vehicle has been returned to the dealer or manufacturer due to a defect in the vehicle, pursuant to consumer warranty laws.”

The disclosure may be on a Statement of Facts (REG 256), or the dealer’s letterhead, or the manufacturer’s invoice. It must identify the vehicle and be **personally signed** by the buyer. Signatures by power of attorney are not acceptable.

10.010 Nonrepairable Vehicles Defined (VC §431)

A nonrepairable vehicle, as defined below, must be issued a Nonrepairable Vehicle Certificate and the vehicle, vehicle frame, or unitized frame and body, as applicable, and as defined in VC §670.5 shall **not** be titled or registered. The nonrepairable vehicle types are:

“Surgical Strip”—A completely stripped vehicle recovered from theft:

- that is missing all the bolts on sheet metal body panels and all the doors and hatches, substantially all the interior components, and substantially all the grill and light assemblies **or**
- which the owner designates has little or no resale value other than its worth as a source of scrap metal or as an illegal source of a vehicle identification number.

“Complete Burn”—A completely burned vehicle:

- that has been burned to the extent that there are no more usable or repairable body or interior components, tires and wheels, or drive train components **and**
- which the owner irreversibly designates as having little or no resale value other than its worth as scrap metal or as an illegal source of a vehicle identification number.

“Owner Declared”—A vehicle:

- that has no resale value except as a source of parts or scrap metal **and**
- which the owner irreversibly designates as solely a source of parts or scrap metal.

10.015 Nonrepairable Vehicle Certificate (VC §§432 and 11515.2)§

Individuals and insurance companies (or a salvage pool company authorized by an insurance company) retaining a nonrepairable vehicle **must** apply to the department for a Nonrepairable Vehicle Certificate. A Nonrepairable Vehicle Certificate **is not** issued for unrecovered stolen vehicles.

10.015 Nonrepairable Vehicle Certificate, continued

The requirements for issuance are:

- An Application for Nonrepairable Vehicle Certificate (REG 488C).
- The properly endorsed title.
- The license plates assigned to the vehicle.
- The fee.

A certificate marked “NONREPAIRABLE” will be issued for the vehicle. A duplicate may be obtained if the original certificate issued is lost.

Ownership can be transferred only twice on the Nonrepairable Vehicle Certificate. Odometer mileage information **is not** collected. The vehicle **cannot be** titled or subsequently registered.

